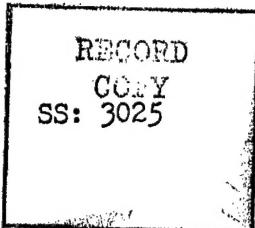


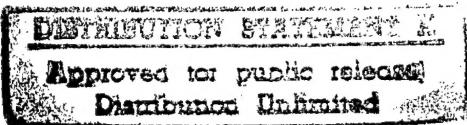
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- COMMUNIST CHINA -

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SELECTIONS FROM THE PEIPING TA KUNG PAO

[The following are translations of selected economic articles from various issues of the Ta Kung Pao.]

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## THE FINANCIAL ACTIVITIES OF PEOPLE'S COMMUNES MUST SERVE PRODUCTION AND DISTRIBUTION

[Following is the translation of an article written by An Po-k'ang, Deputy Commissioner of Finance, Honan Provincial Government, Ta Kung Pao, Peiping, 22 September 1960, page 3.]

Production determines distribution, distribution again affects production. The financial activities of the people's commune are the concentrated reflections of production, accumulation and consumption, and are the important means to correctly implement the Party's policy of distribution, to properly adjust the relations among the State, the collective body and the individual, and to consolidate and develop the people's communes. Financial activities are not only economic activities but also political activities.

Within the last two years, under the correct guidance of the various levels of the Party Committees, the financial activities of the people's communes in Honan Province have earnestly carried out the Party's various decisions and instructions, firmly implemented the policy of operating the people's communes with hard work, thrift and the people's democratic control and have further strengthened the system of financial management and economic calculation.

Following the continuous great leap forward in agricultural production and the development of multilateral undertakings, the financial activities of the people's communes have not only ensured the fulfillment of State taxation and purchasing tasks and capital supply for the rapid development of the various commune-operated productive-construction enterprises, but have also enabled more than 90% of the commune members to secure an increase income. Most communes and production teams have appropriately arranged living conditions for their members, paid their wages on time, and have thus mobilized the productive positive factors of the great mass of their members.

These facts have had a great effect on the promotion of production development, the consolidation and improvement of the people's communes. To see that communal financial activities are better suited to serve the development of

production, and the rational operation of distribution, so that these activities will be better and more carefully done, the communal financial departments must, under the guidance of the various levels of the Party committees, and in accordance with the general policy of economic development and guarantee of supply, firmly operate the people's communes with hard work and thrift, carry out economic calculation, strengthen the financial system and enforce the people's democratic control. In their tentative operation, the financial activities must do well in the following several important items of work.

First, on the Basis of Production Development,  
Put Great Efforts in Organizing Incomes and  
Sincerely Calculate Substantive Incomes

In the rural areas, the incomes of the production teams (ta-tui) under the people's communes and of the production groups (the former are the basic calculation units and the latter are the production contracting units, same throughout the following references) are of many varieties and kinds (including agricultural, industrial, subsidiary, forestry, animal husbandry, fishery and other incomes). The financial activities of the rural people's communes must first firmly implement the policy that uses agriculture as the basis to ensure the increased production of grain and to increase grain income.

Consequently, under the unified guidance of the Party Committee, these financial activities must actively participate in the strengthening of the agricultural front, the strengthening of farm production, earnestly implement the "8-word charter" in agriculture, guarantee agricultural production and the realization of agricultural mechanization, the operation of irrigation and electrification with a supply of necessary capital so as to foster the great leap forward in agricultural production, especially the great increase production of grain.

Secondly, in order to ensure the various levels in the communes to have a continuous cash income, these financial activities must, under the premise of guaranteeing grain production, actively organize industrial production, promote multilateral undertakings, strengthen cash income, so that the various levels in the communes all have grain and at the same time have money; supplying the communal members with adequate food and paying them on time with cash wages; and furthermore, accumulation and the members' income can be constantly increased.

Those incomes that are already realized must be sincerely calculated. They actually reflect the results of the commune members' labor effort. Within the last two years, the figures of the various items of incomes in the different levels of the people's communes in Honan Province have been basically correct and have prepared a good foundation for the distribution activities. Through definite calculation of incomes and from the various items of incomes in the different levels, the difference in productive undertaking management, the experiences and learning among the various levels can be discerned, so that the next step in production and financial planning and the entire State economic planning can be based on these reliable facts.

In the definite calculation of the various items of incomes, the most important experience is the Party's assumption of political prominence. According to conditions in Honan Province, definitely calculated grain production output occupies a very important position. In definite calculation of grain production output, according to the experiences in the various areas, the first step is to start production estimating activity about one month before the arrival of the harvest season.

On the one hand, it is good preparation for the adjustment of the internal distribution problem in collective economy, and on the other hand, it offers actual figures for the correct adjustment of exchange problems between the State and the collective organizations. Production estimating activity must be based on objective material factors and must be as close to actual production as possible.

The second step in definite calculation of production output takes place in the harvest season of agricultural products. On the basis of estimated production, a clear distinction must be made between the production output of grain and that of the principal economic products. In the entire process from harvesting to threshing and the entering into storage, the whole procedure must be under the unified management of the basic calculation unit, implementing the system of as soon as the grain is harvested, it must be threshed, weighed, inspected, recorded and put into storage. Production output must be accurately calculated, so that the records and the actual amount of grain must agree.

In the calculation of industrial and subsidiary and other forms of incomes, only the net income derived from the actual selling price, after the production and consumption expenditures have been deducted, should be calculated but not on the production value. Furthermore, some production groups have incomes other than account receipts; these must

be carefully listed in the records and they are to be jointly distributed with the other incomes, so that nothing will be omitted and deducted but all incomes accounted for.

Secondly, Firmly Implement Economy, Strengthen Economic Calculation and Definitely Calculate the Various Items of Expenditures

The rural people's communes must firmly implement economy and further carry out the policy of operating the communes with hard work and thrift. To operate the communes with hard work and thrift is a long-range basic policy. Chairman Mao Tse-tung gave us the instruction long ago; he once said, "Economy is one of the basic principles in a socialist economy". Firm implementation of economy is our regular duty. Under the Party Committee's guidance, many people's communes in Honan Province have implemented this policy of operating the communes with hard work and thrift which has a great effect on the promotion of the continuous leap forward in agricultural production. Therefore, the people's communes must strengthen economic calculation.

All the expenditures of the various levels in the communes must be carefully calculated and the expenditures must be made through hard work and thrift but never through extravagance and waste. Determinedly adopt effective measures to lower the proportion of non-productive expenditures, to reduce the proportion of administrative expenditures, and even in the productive expenditures, try to save those expenditures that can be economized. On the basis of production development, strive to lower production expenditures so that every cent, every kernel of grain and every piece of material will be used where they are most needed. Every unit must spend less, accomplish more, and every thing must be done well and with great results.

In order to investigate the economic effect of the various items of expenditures, a definite calculation on each item of expenditure must be made. The various items of expenditures in the different levels of communes are the true reflections of production consumption and living consumption. If the reflections truthfully represent the conditions of the various items of expenditures, these expenditures can be clearly judged whether they are made in a reasonable manner, whether they are extravagant and wasteful, whether they agree with the policy of operating the communes with hard work and thrift, and whether they are in line with the Party's distribution policy.

There can be an analysis and comparison between planning and practice, between this year and last year, between productive expenditures and non-productive expenditures, between one production team and another production team, between one production group and another production group, to see which is advanced and which is backward, to see which is thrifty and which is extravagant, so that an investigation can be made to ascertain whether the production undertaking within a given period of time is economical and profitable. This will facilitate the masses to start a broad debate, to raise questions and to offer solutions.

Inanimate figures must be transformed into living materials so that they will be of assistance for the promotion of production. With regard to productive expenditures, the production results must be investigated in order to find out causes, to recommend methods, to seek experiences, to arouse morale, and to promote agricultural production into a greater leap forward.

With regard to non-productive expenditures, each item must be carefully scrutinized to see if it is reasonable, to see whether it is extravagant, wasteful or overdrawn. In regard to expenditures paid for the living expenses of the commune members, these must be checked against the members' wages, and rations must be checked against the accounts of the dining halls. In calculating ration expenditures, the dining halls' basic production income must be included so that the commune members' actual consumption level can be accurately reflected.

At the same time, the communes must pay their taxes to the State on time. Keep a clear record of all economic transactions and make reports explaining the use of all temporary payments. Sincerely summarize all accounts and make public all results on the bulletin board. This not only facilitates the analysis of expenditures to see whether they are reasonable and the investigation of the conditions under which the Party's distribution policy has been implemented, but also enables the masses to supervise financial administration, to strengthen the masses' economic activities and to expand the positive effect of the masses' control over finance.

Thirdly, Keep an Accurate Record of the Commune Members' Labor Units and Truly Carry Out Contractual Production Rewarding System

The commune members' labor unit and the contractual production rewarding problems must be properly administered. This not only has a direct effect on whether the members'

positive factors in production can be fully developed, but also affects the relation between one member and another member, between the members and the collective body, between one collective body and another collective body. This also implements the principle of distribution based on labor; the more one labors the more wages he receives. It is an important phase in the correct realization of the Party's distribution policy.

To judge labor and to record the number of units for it is an important means to organize labor productive force rapidly. It is the basis upon which the production team makes its distribution to the production groups and upon which the production groups pay out the wages. It is based on the principle of distribution in accordance with labor, i.e., the more one labors the more he receives. The so-called distribution in accordance with labor, under the premise of the Party assuming political prominence, uses the amount of labor as the measure by which the laborer is remunerated. The members' labor must be accurately recorded and clearly summarized because this is a matter of great concern to all members.

The contractual production reward system is an important factor in the agricultural production management operation. It is the implementation of the "three contract one reward" principle. In China, the people's communes, at the present stage, is operated on the three-level ownership system, with the production group at the base. The problem of properly administering the contractual production reward system is the problem of properly adjusting the relation between the production team and the production groups, is also the problem of realizing the three-level ownership system and it even concerns the mobilization of the production groups' and the commune members' positive factors in production, so it is a great problem concerning the promotion of the development of productive force.

Accordingly, those production groups that make careful cultivation and attain above norm production should be appropriately rewarded, while those that have improper management over their undertakings and have attained reduced production should be penalized by make-up production. This is a way to encourage the production groups to put great efforts in increasing production, to organize well and guide production and to mobilize the members' positive factors in production.

But, attention must be given to the fact that, because nowadays, agricultural production is greatly affected by natural elements, there is frequently a great difference between

the contractual production goal and the actual production level. Such a situation must be treated in the light of actual conditions and the principle of where there is above-norm production, it should be rewarded accordingly, while the spirit of more rewards and less penalties should be applied. Deduct that portion of reduced production, caused by natural disasters, make appropriate adjustments in the contracts, establish the figures which should be rewarded and those which should be penalized and enforce both.

Fourthly, Operate Well Profit Distribution and Adjust Properly the Relation Among State, Collective Body and Commune Members

Profit distribution is a very strong policy and a very precise and complicated activity. It concerns production and living conditions; it affects the interests of the State and those of the collective bodies and even those of the individual commune members; it relates to present day production and the expansion of re-production. Through distribution activity, if these problems can be properly resolved, man's subjective labor force can be more fully exerted and the potential of finance and materials can be more fully developed.

The rural people's communes must follow the instructions outlined in the resolution adopted by the Eighth Plenary Meeting of the Sixth Central [Committee] Conference, which says, "Under the principle of operating the communes with hard work and thrift, the rural people's communes must accurately distribute their own incomes. In order to develop production rapidly, after production expenditures, management expenditures and taxes are deducted from the gross income, the proportion for accumulation must be appropriately increased. But, on the basis of production development, the communes at the same time must make the portion, which is used for the individual members' consumption and for collective consumption (including that portion used for public welfare, cultural and educational enterprises), gradually increase year by year so that there will be a gradual improvement year by year in the people's living conditions."

In drafting the resolution for distribution, the deductible portions must be individually calculated. The agricultural tax must be borne by the commune members and the collective body. This is an important method employed by the State to acquire grain to supply the urban and rural people's needs and to support socialist construction. With

the exception of deductions made in case of natural disasters, the exact amount of taxes must be deducted in accordance with regulations, guaranteeing the fulfillment of the State's taxation and purchasing task.

Production expenditures are those that are used in reproduction. To ensure uninterrupted reproduction, in addition to deducting the actual expenditures incurred during a given season (summer or autumn), additional deductions must be made to meet the needs included in the plan for the next season's planting and in the production expenditure goals involved in the contractual production agreements. When summaries are made at the end of the year, with the exception of disaster conditions, the expenditures incurred in the current year must be deducted in that year and not deferred until next year. If the production expenditures are improperly deducted, either too much or not enough, such an action will seriously affect production in the next year.

However, production expenditures should be economized if possible so that there will be more available funds for capital construction thereby accelerating reproduction. Financial reserves are the material bases for the consolidation and development of communal economy and production group economy. The proper deduction for financial reserves is a very important problem concerning the people's communes. Under the principle of guaranteeing more than 90% of the commune members receiving more income than the previous year, and under the conditions of unbalanced economic development among the various production teams, the communes must, in accordance with production level and the members' level of living standards, decide different proportions for deduction. Management expenditures must be borne by the commune. The management expenditures for the production teams and those involved in guidance given to production should be economized wherever possible. Good administrators oppose extravagance and waste.

To maintain better welfare enterprises for the commune members, it is advisable to deduct a proper amount for reserve, but not too much. The amount of fund to be used for capital construction should be allotted in proportion to the size of the communal accumulation, otherwise the budget will not be fulfilled or there will be too big a surplus, which will affect agricultural production-construction.

In distributing the portion for the commune members' consumption, the system that includes the coordination of the wage payment system and the ration system must be applied. This distribution system has communist tendencies and it is not demanded by the great masses of commune members. In the

amount distributed to the commune members, what portion should be wages and what should be rations is a problem that should be determined by the level of production development in each production team in relation to the level of its members' incomes, rendering it to reflect the actual level of the commune members' incomes.

Fifthly, Proper Arrangement for Capital and Active Organization for Production.

After distribution work is completed, in accordance with the various items of distribution funds, communes and production teams must begin to make unified arrangements for the use of funds in the next season, make all-out plans for all financial receipts and expenditures and make over-all arrangements and an outline for the reasonable use of the communes' and the production teams' own funds, the State's aid funds, bank loans and credit funds, all these must be coordinated with material supplies. Only through proper arrangement of funds can production be ensured with uninterrupted development.

All comrades in the people's communes must learn the meaning of the saying that a small stream flows long and must be able to look forward and backward at the same time to manage their own affairs well so that there will be happy days to live by. In arranging funds, attention must be given to the conditions of increased production and increased incomes and to the gradual increasing demands for production and living consumption; attention must also be given to the incomes in the current season and to the amount of funds left from the previous season. All comrades must learn to pass their days of wealth as if they were in poverty. When they are making plans for the use of funds, they must implement the principle of active balancing, by coordinating the strength of the available funds and man's subjective working energy.

We must rely on the masses, arouse the commune members to develop production actively, to start various undertakings, to increase income and we must solve all financial difficulties through production development. As to the production materials needed by the communes and the production teams, we must encourage the masses to make use of local materials and to produce whatever they can locally. We must do our utmost to develop potentialities, to increase production, to enforce economy and to support and promote rapid development in agricultural production.

In order to meet the seasonal characteristics of agricultural production, in accordance with past experiences, besides the annual financial plan for all incomes and expenditures, fund arrangements must be made three times a year. After the completion of the final estimates, at the end of the year, the first arrangement of funds must be made immediately. The funds belonging to the various levels and departments of the commune must be organized to give all-out support to spring cultivation.

Each year, in March and April, an adjustment must be made in accordance with the amount of funds deposited by the State for future purchases and with the actual needs for production. After distribution work for the summer season is completed, the second arrangement of funds must be made. Organize small summer harvest production and autumn field management to support agricultural production for the autumn season to strive for a bumper harvest in the autumn. After the autumn harvest distribution work is completed, the third arrangement of funds must be made. Organize a small autumn harvest and winter seasonal production by starting various undertakings so as to ensure regular cash incomes.

Through proper fund arrangements, the State's investments and the commune's own funds and materials can be coordinated to promote the increase production economy movement into deeper development, enabling the funds and the material supply to be ahead of seasonal production so that the funds and the materials can exert their greatest effect.

In short, we must sincerely and carefully do well all the above-mentioned five principal activities so that communal financial activities can perform better service to production and distribution. Financial activities must not be regarded as simple adding and subtracting mathematical work, but they are strong policy making political activities. Closely follow the Party's guidance, insist on the Party's assumption of political prominence and promote mass movement--all these are basic guarantees for the good administration of communal financial activities. Communal financial activities must be closely coordinated with production and to serve production.

Through calculations and records, summarize production and management experiences in the previous season, seek out problems, analyze the causes, offer solutions and arrange plans for next season's production so that production will be developed more deeply and attain higher results. Financial activities must provide accurate facts for the operation of distribution and give greater stimulation to production. More important is the fact that the communal financial

activities must implement the mass line and firmly adhere to the policy of operating the communes with hard work and thrift.

Under the Party's absolute guidance, adopt the "three-coordinated" formation by leading the cadres, the financial workers and the commune members. Under these conditions, the cadres can work deep into reality, have plans in mind, summarize experiences and improve their guidance; the cadres can join with the masses, go deep into production, become red and specialized and serve as the masses' advisers; the commune members can participate in management, carry out their supervision, raise their awareness and increase their morale. This is the concrete application of the Party's mass line in the field of financial activities in the people's communes. It should be widely expanded.

To meet the very strong seasonal characteristic in agricultural production, the communal financial activities must be closely coordinated with regular democratic management, mass supervision, the two annual preliminary distributions and the one final distribution into a large-scale mass movement for financial administration so that the Party's distribution policy will be better implemented and the relation among the State, the collective body and the commune members will become better adjusted.

To strengthen communal financial management, there must be a definite number and quality of financial cadres and a continuous rising in the financial workers' political level. In accordance with the principle of simplicity, a complete system of practical financial management techniques must be established so that communal financial activities will rapidly make further progress and will give better service to production and to the livelihood of the commune members.

## KIANGSI PROVINCE TRAINS VARIOUS LEVELS OF COMMUNAL FINANCIAL WORKERS

[Following is the translation of a short news report, in Ta Kung Pao, Peiping, 13 September 1960, page 2.]

The various levels of financial departments in Kiangsi Province are actively training financial workers for the people's communes. In the first half of the year, 150,000 financial workers have been trained throughout the province for financial activities in the communes, production teams, production groups, dining halls and commune-operated enterprises and this number is equivalent to 50% of the existing number of financial workers in the people's communes. Through a network of accounting mutual help and organized activities, the communal financial workers have universally raised their vocational knowledge and political ideological level.

The entire training program is done in the following manner: the hsien trains the financial workers for the people's communes, commune-operated enterprises, and production teams, while the communes train financial workers for the production groups and the dining halls. The production teams principally make use of the accounting mutual help network, organized activities and meetings as regular means by which they instruct and help the financial workers in the production groups and dining halls. In addition, the communes in the various areas also make use of the red and specialized schools, the enterprise management night schools, and the elementary schools to propagate financial knowledge to the financial cadres and to educate the masses.

## SHANSI FINANCIAL DEPARTMENTS HELP FINANCIAL ADMINISTRATION IN PEOPLE'S COMMUNES

[Following is the translation of a news report in Ta Kung Pao, Peiping, 22 September 1960, page 2.]

Under the guidance of the Party Committee, the financial departments in the various cities in Shansi Province have not only actively helped the people's communes to organize production and living conditions but have also helped them to administer their financial affairs. At present, the greater number of the people's communes, commune-operated enterprises, dining halls, infants' centers and service organizations in the various areas has already established financial administration and accounting system.

The people's communes in many districts have realized the "three completions", that is to say, the completion of filling financial administration with staff workers, the completion of all recording procedures, and the completion of the entire financial system. In some districts, the financial records are being audited by the masses, promoting the consolidation and development of the people's communes.

In meeting the needs of the commune-operated enterprises, the great advance of various undertakings and to enable financial administration to catch up with rapid development, the various financial departments in Shansi Province, from the beginning, have paid great attention to the preparation of cadres and the training of financial workers. As to the preparation of cadres, the financial departments sincerely implemented the class line.

In accordance with the principle of making the people's communes self-providing as the primary factor and support from the departments as the secondary factor, on the one hand, they selected from the neighborhood a group of middle school and elementary school graduates who were ideologically well suited and who had a rather high cultural level to serve as financial cadres in the people's communes. On the other hand, under the Party's guidance, the various departments sent out some of their cadres to the people's communes to

serve as basic financial administrators. Because of these methods, the appointment of financial workers throughout the province met more than 60% of all the needs.

Closely following these methods, the financial departments collaborated with the other related departments and began a mass movement to train financial workers: (1) organized short-term training classes and concentrated training; (2) requested financial workers and accountants from the State-operated enterprises, governmental agencies and other organizations to assume the full responsibility of training; (3) used the commune as the basic unit on which a network of learning and teaching was established, including the commune and its affiliated enterprises, so that in each unit, it was the old accountant leading the new, the skilled leading the unskilled, the master leading the apprentice, and all taught and learned and learned while working; (4) utilized off-hours to give key-point assistance and individual instruction, turning the plant into a school, a workshop as a classroom, using actual materials as teaching materials; and (5) organized visiting tours. The content of teaching was the coordination of political ideology with vocational knowledge. Owing to the application of the above methods of training, the political and vocational level of the financial workers was rapidly raised and they were suitable to meet the needs.

The various financial departments in Shansi Province have been actively establishing and strengthening the financial system for the people's communes and their related units. In establishing the records and the system, these departments collaborated with the other related units, designated a number of workers to go deep into key-point communes, conducting trials at certain points and trying to understand, to learn, to study and to formulate methods; then, through simple and easy language so that the masses can understand readily, they formulated the financial and accounting systems for the commune-operated enterprises and the other units.

At present, after the completion of the trial point training, the finance bureaus of the following cities or hsiens--Yang-ch'uan, Hun-yuan, Yun-ch'eng, and Hung-tung--have fully carried out these financial administrative methods in their communes and enterprises, dining halls and welfare organizations. After the systems were established, the financial departments supervised the communes and the enterprises in sincerely carrying out these systems.

For instance, the finance bureaus of Ta-tung, Chang-chih, and Lin-fen cities have adopted the method of establishing the system, making improvements where necessary and at the same time expanding them, by concentrating strength,

studying and teaching, so that the enterprises would sincerely carry out the system; thus, they attained the "three clearances": that is, clear records, clear funds and clear properties.

To strengthen financial administration in the people's communes, quite a number of districts, on the basis of established records and systems, have promoted the method of auditing by the masses, thus, they have raised the enterprises' management level, reduced production cost and encouraged production development. For instance, the Ping-ch'e Transportation Team of the Ch'eng-kuan People's Commune in Hun-yuan Hsien, after adopting the method of auditing by the masses, raised the positive factors of the workers' labor, and those who used to be absent from work frequently, participated actively in working. Since then, in each quarter, the repair expenditure for each transportation vehicle has been reduced by 60%.

"STRONG SUPPORT TO AGRICULTURE IS AN HONORABLE TASK  
FOR ALL INDUSTRIAL AND MINING ENTERPRISES"

[Following is the translation of an article  
written by Liu Jih-hsin, in Ta Kung Pao,  
Peiping, 20 September 1960, page 3.]

I

Industry and agriculture are two basic departments of social production. The mutual relationship between these two departments is the primary problem that socialist construction must solve. In accordance with the universal truth of Marxism-Leninism and China's general conditions, the Party Central Committee and Chairman Mao Tse-tung have formulated the general line for the construction of socialism, adopted the policy of promoting industry and agriculture at the same time, and thereby have correctly solved this very important problem for China's socialist construction.

In the new era of great leap forward, the Party Central Committee and Chairman Mao Tse-tung have further outlined a coordinated policy in which the development of the national economy must use agriculture as its basis and industry as its guide, with priority development of heavy industry and rapid development for agriculture. This policy not only has very great instructive value to China's present socialist construction but also, from the theoretical stand point, scientifically summarizes China's experiences in socialist construction, greatly enriches and develops the Marxist political economy.

Under the guidance of the general line of the Party's socialist construction, and in the great leap forward during the last several years, not only has the speed of industrial development been hastened, but the rate of agricultural development has also been accelerated. Industry and agriculture have been promoted at the same time; not only the theory itself is correct, but actual practice has also shown that it is possible to attain both at the same time.

At present, to hasten agricultural development has already become the key problem in the continuous leap forward

of the national economy. Even, though China has already found in the people's communes the best form of organization to promote the rapid development of productive force, China's agricultural productive force is still very low, technology backward, and labor productivity not high. But grain, supplementary food products and industrial raw materials supplied by agriculture are far from adequate in meeting the needs of the continuous leap forward of the national economy and the increasing demand of the people's living standards.

Therefore, first, hold fast to agriculture, actively promote agricultural technical reforms, and immediately transform backwardness in agricultural production; these are the most important problems confronting the Party and all the people today.

In order to promote agricultural technical reforms, and to further implement the policy of using agriculture as the basis, every trade and every enterprise throughout the country have begun a strong mass movement to support agriculture. In the movement, industry and labor have a specially important task to fulfill. Industry is the guide in the national economy. In order to promote agricultural technical reforms, the various departments in industry must manufacture the various kinds of productive materials for agriculture. After the completion of the First Five-Year Plan, especially after the great leap forward during the last three consecutive years, industry has attained great developments.

With regard to the agricultural machineries that are needed in agricultural technical reforms, industry has been able to supply agriculture with a relatively large quantity of agricultural machines (tractors and combines), motor-operated machines (irrigation machines and electrical equipment), transportation machines (heavy trucks, etc.), re-processing machines (agricultural products re-processing), steel, coal, oil, chemical fertilizers, agricultural chemicals, cement, timber and other industrial products.

The material basis of industry supporting agriculture has been immensely strengthened, but the present problem is how can the various departments in industry and labor further exert their positive factors, rapidly promote agricultural technical reforms in accordance with plan and step by step and raise the technical level in agriculture.

Since the Party Central Committee outlined the policy of agriculture as the basis, the great mass of workers and cadres in the various industrial departments have enthusiastically implemented the policy, contributed great strength to it and have attained great achievements. However,

there is still a small number of comrades who have not yet fully realized the meaning of supporting agriculture: some consider the problem of agriculture as the basis as an opposing factor to industrialization because they think industry supporting agriculture will deter the speed of industrialization. These people will not actively serve agriculture.

Some people regard the support given to agriculture as an "extra burden"; they think that support is the duty of those departments that are directly responsible for supporting agriculture and that it does not concern them. Again, some people think that agricultural products have low value, small profits, necessitate too much labor, are of complicated product variety, seasonal characteristics too strong, and very hard to organize, so they are not willing to produce them. Obviously, all these views are incorrect.

Then, how should the relation between industrial development and agricultural development be adjusted? As everyone knows, Chairman Mao Tse-tung has clearly pointed out the road for China's industrialization. In his speech "On Correct Handling of Contradictions Among the People", he said, "The problem of a road for industrialization, principally, is a problem concerning the relation of heavy industry, light industry and agriculture. China's economic construction uses heavy industry as its central theme. This must be. But at the same time, full attention must be given to the development of agriculture and light industry.

Again he has said, "During the Second Five-Year Plan and the Third Five-Year Plan, if China's agriculture can attain great development, enabling light industry to have correspondingly great development, such conditions will be advantageous to the entire national economy. After agriculture and light industry have developed, heavy industry will have a market and capital and it will naturally develop much faster. As such, it looks as if the speed of industrialization has been rather slow, but actually it is not slow; perhaps, on the contrary, it may be faster."

The Party's general line for the construction of socialism and the overall policy of "walking on two legs" have correctly solved the relationship between heavy industry, agriculture and light industry, and at the same time has clearly pointed out the road for their development. Only under the guidance of the general line has China's national economy attained an all-out continuous leap forward. Accordingly, those people who consider agriculture as the basis as an opposing factor to industrialization are obviously wrong in their viewpoint. For many years, especially during

the last two years, experiences have proved that China's agriculture has developed; as a result, all economic activities have progressed smoothly. Not only has light industry hastened its development but heavy industry has also accelerated its development.

During the First Five-Year Plan, conditions were to be: in the first year, agriculture was to reap a bumper harvest, and in the next year, industrial production was to increase more rapidly. On the contrary, in the first year, agriculture had a poor harvest, so the next year, industrial production increased relatively slowly. In 1958, the national economic great leap forward was started by agriculture. Agricultural development promoted the industrial leap forward; in that year, agriculture increased 25%, light industry 34% and heavy industry 103%. In 1959, agriculture increased 16.7%, light industry 34%, and heavy industry 43.3%. Thus, it can be seen that agricultural development does not conflict with industrial development, but are mutually reliant and encourage each other.

At present, to hasten agricultural development has become the central link in the national economy, to be rapidly and proportionally developed. Workers in all industrial and mining enterprises must establish an ideology with agriculture as its basis and take upon themselves the responsibility to support agriculture. Since agriculture is the basis for the national economy, industry should actively support agriculture, enabling this basis to become more consolidated. Therefore, to support agriculture is not an "extra burden", nor is it only the business of those departments that are directly responsible for helping agriculture; it is the common responsibility of all industrial and mining enterprises. Those who regard agricultural product value as too low, profits too low and have no wish to actively support agriculture manifest a type of capitalist ideology, which is contrary to the meaning of supporting agriculture and to the duty of the working class.

In short, only with the true understanding of the Party Central Committee's policy of agriculture as the basis of the national economy and the consolidation of this ideology can anyone fully do his duty to support agriculture.

## II

At present, in supporting agriculture, the various industrial departments must give special attention to the following several aspects:

(1) All heavy industrial enterprises must exercise great efforts to over-fulfill State plans, strive for more production of agricultural machinery, chemical fertilizers, agricultural pesticides, fuels, and construction materials to support agriculture.

In 1960, the State economic plan has stipulated: the 1,100,000 tons of steel materials allotted by the State for the manufacture of agricultural machines and farming implements is about doubled the amount in 1959. The products manufactured within the country for direct supply to agriculture include such products as: 22,000 tractors, 2,000 harvest combines, 2,500,000 horsepower of irrigation machines, 8,500 heavy trucks, 2,800,000 tons of chemical fertilizers, 180,000 tons of agricultural pesticides, 10,000,000 rubber-wheeled carts, 200,000 to 300,000 watts of hydro-electrical equipment, etc. (See "Report on the Draft of the 1960 National Economic Plan", delivered by Vice Premier Li Fu-chun at the Second Plenary Meeting of the Second All-China People's Congress, on 30 March 1960). These achievements will have great effect on the increase of production in agriculture. But it must be acknowledged that these supplies have not sufficiently met all agricultural needs.

From the long range point of view, in order to fully realize agricultural technical reforms, several millions of tractors, hundreds of millions of horsepower in irrigation machineries, several millions of heavy trucks, hundreds of millions of horsepower in motor-operated machines are needed, as well as hundreds of millions of tons of chemical fertilizers annually. Naturally, in order to manufacture this enormous amount of agricultural productive materials, there must be still greater development in heavy industry. Speaking from present conditions, heavy industrial enterprises must do their utmost to economize; by using the same amount of raw materials and materials, they should manufacture more products, strive to over-fulfill the goals of State plans and give more productive materials to support agriculture.

(2) All industrial and mining enterprises must put great efforts in the economy of labor force and strengthen the agricultural production front, especially the grain production front.

Within the last few years, there have been a great number of workers transferred from agriculture to industrial and mining enterprises, from grain production to the various undertakings, and from the production front to the various departments of work in the rear. The transfer of these

workers was quite necessary because a gradual transfer of population from agriculture to industry is an inevitable element in the process of industrialization. However, the moving of a portion of these workers was unreasonable. At present, China's agricultural productive efficiency is very low, so, if too great a portion of the labor force has been removed from the first line of production too soon, it will be very detrimental to agricultural production.

In order to ensure an adequate labor force to strengthen the agricultural production front, in addition to making a reasonable arrangement of labor force in the rural areas, rural capital construction, commune-operated industries, various undertakings and other enterprises should all be adjusted to the principle of doing more during agricultural slack time, less during busy season and stop doing during very busy times, so as to keep the agricultural labor force strong.

At the same time, all the industrial and mining enterprises must put great efforts to technical reforms and the technical revolution, raise labor productive efficiency, so that there will be an increase in production but no increase in the number of workers, even as far as an increase in production and a decrease in the number of workers and to use this labor force that has been economized to meet the needs of those newly-established enterprises and try to transfer some of this labor force back to the rural areas. For instance, in the various industrial and mining enterprises in Chungking, after the wide-spread application of the technical revolution, the degree of mechanization, semi-mechanization, automation and semi-automation was greatly raised and in the first half of 1960, a total number of 109,000 workers was economized. Besides using this labor force to support key-point enterprises, more than 36,000 workers went to support agriculture. These workers who went back to the rural areas demonstrated their skill in the process of technical reforms in the rural areas and became technical cadres there. This is a very outstanding example of how industry can support agriculture.

(3) All industrial and mining enterprises and capital construction units must make careful and detailed plans, strictly apply economy in land, and ensure agricultural production with sufficient arable land.

Arable land is agriculture's basic production material. In order to increase the total production of agricultural crops, besides raising the yield per unit of area, the expansion of cultivation area is a very important factor. The

Party Central Committee and Chairman Mao Tse-tung, in summarizing the experiences of many years of agricultural production, have outlined the dual policy of plant more to reap more and higher production for greater harvest. Follow this policy and agriculture will be ensured a steady increase. In order to implement the dual policy of plant more to reap more and higher production for greater harvest, cultivation areas must be expanded.

At present, China's total cultivation area is comprised of only 1,600,000,000 mou of land, an average of nearly three mou per capita. But, annually, the capital construction of industry, transportation and irrigation requires 10-20 million mou of land. This situation becomes a contradiction to agricultural production. To resolve this contradiction, in addition to great efforts to reclaim waste-lands and raising the index of repeated planting, all industrial and mining enterprises and capital construction units must firmly establish the ideology that agriculture is basic. From the beginning of their planning, they must consider the strict application of economy of lands, use the least area of land, never occupy good land, prevent putting more lands under their enterprises than what they actually need, and prevent such extravagant use of cultivation lands as occupying them early and using them very late or by occupying them and never using them. When a piece of arable land is claimed by an enterprise for its use but temporarily it is not being used as yet, the land should either be given back to the commune for cultivation purposes or the enterprise itself puts it under cultivation, so that every piece will be fully used for production. The economy of arable lands by industrial and mining enterprises is direct support to agriculture.

(4) There should be planned and adequate guidance for "the linking of factories and communes" and support of agriculture from many aspects.

The linking of industrial and mining enterprises and the people's communes is a new form of support given by industry to agriculture. Lenin once said, "To establish a mutual relationship between the urban working class and the rural workers is a definite step to readily create a friendly mutual association. This is our task. This is one of the basic duties of the proletariat that has political control" (Lenin's Collected Works, Volume 33, page 420). Now, this form of friendly and mutual assistance has been preliminary established in China.

According to incomplete statistics, there are now more

than 26,600 industrial and mining enterprises already linked with more than 12,700 rural people's communes. This is to say, more than half of the rural people's communes have established a steady relationship with industrial and mining enterprises. These conditions will systematize and regularize industry's support to agriculture.

"The linking of factories and communes" has a multifarious content. Some factories and communes have established joint long-range plans for the realization of agricultural mechanization, irrigation projects and electrification and have stipulated the tentative time, methods and steps for realization of these plans, and have even signed "agreements". Some even go a step further by using the linked factories as the motive force to attract communication and transportation, commercial and financial, educational and health, scientific and technical units to participate and jointly organize a cooperative committee to support agriculture, by helping the rural people's communes to realize their agricultural technical reforms in accordance with a plan and step by step.

The key point in the present "linking of factories and communes" lies in the utmost help that the industrial and mining enterprises are giving to the linked communes to establish agricultural tool repair and manufacture plants. The technical workers of the linked factories who go to the rural areas must follow the principle that the communes are to be self-providing, make the best of local conditions, and make use of local materials; thus, they will help the communes' agricultural tool plants to manufacture and improve the various native equipment, to reform and repair existing mechanical equipment, to extend new techniques and new skills and to substitute manual operation with semi-mechanization and mechanization. They must also actively impart technical knowledge and help the communes to train their technical strength, so much so that gradually the various types of agricultural machines and tools will come to the stage, where "small repairs are done within the team, medium repairs done within the commune, and big repairs done within the hsien." As such, not only can much damaged equipment be repaired in time but also efficiency can be raised and the progress of industrialization, agricultural mechanization and electrification in the rural people's communes can be accelerated.

The linking of factories and communes is the coordination of the urban and rural economy, and is also the relation between all-people ownership and collective ownership. It affects many aspects, therefore, all activities related to

the linking of factories and communes must entirely come under the Party's unified arrangement. The linked factories, using their own equipment and tools to support agriculture, must apply the form of equal value in exchange and cannot casually give away anything free of charge. All in all, in this type of activity, the State's and the communes' interests must be reasonably treated.

The strong support given by industrial and mining enterprises to agriculture has very important political and economic meaning. The support to agriculture will hasten the realization of agricultural technical reforms, will raise agricultural productivity, will supply more grain and supplementary food products to the cities and the industrial and mining areas, will supply more raw materials to light industry, will provide a greater market for light and heavy industries, will provide greater labor force for industry and the other departments of the national economy. It will also accumulate more capital for the State to guarantee a better national economy and a greater continuous leap forward, thereby the further consolidation of the alliance between industry and agriculture will be built on a new foundation. All these will accelerate the pace by which China will become a great modern industrial, agricultural, scientific and cultural socialist state.

## SHANSI INDUSTRIAL WORKERS SUPPORT COTTON AND TOBACCO HARVESTING AND RAW MATERIALS PURCHASING

[Following is the translation of a news report, written by the newspaper's correspondent, Pai Chi-ch'eng, in Ta Kung Pao, Peiping, 20 September, 1960, page 1.]

The light industry system in Shansi Province, under the unified leadership of the Shansi Provincial Party Committee, has sent out more than 700 cadres and workers, respectively led by the commissioner and the deputy commissioner, into the cotton and tobacco economic crop-growing districts, collaborating with the agricultural and commercial departments, in giving strong support to harvesting in these districts and to the purchasing of raw materials for light industries. This is not only a support in labor force and technical strength to current agricultural production but also an increased production in September of certain products for light industries and a good preparation of raw materials for fourth quarter busy production.

At present, the T'ai-yuan, Chin-hua and Hsin-chiang Textile Mills of the textile industry have sent out more than 300 workers, arriving at the key cotton growing hsien of southern Shansi Province, to collaborate with the agricultural and commercial departments to give strong assistance in the picking, processing, and classifying of cotton and to organize purchasing and transportation activities, striving for the rapid purchase of new cotton, thus to ensure the increased production of cotton fabrics for September. In addition, they are to help in the better classification and greater purchase of better cotton, to spin higher count yarns and raise the quality of the fabrics.

The Shansi Provincial Light Industry Department, the Shansi Light Industry School, the T'ai-yuan Tobacco Plant and the Ch'u-wu Tobacco Factory have sent out more than 300 staff members, students and workers to the tobacco growing areas of T'ai-ku, Chieh-hsiu, Lin-fen and Hou-ma, to help the people's communes to construct tobacco roasting rooms, arrange labor force and impart technical knowledge

to hasten the tobacco roasting process.

The Shansi provincial sugar, wine-brewery and paper-making industrial departments, under the guidance of the local Party committee, are also sending out staff members and organizing working strength to go to the first line of agricultural production, and in collaboration with the agricultural and commercial departments, to complete harvesting and purchasing activities.

To support agriculture and collaborate with the commercial departments to organize raw material purchasing have now become the unified action of the great mass of workers of light industry system in Shansi Province. Under the unified guidance of the Shansi Provincial Party Committee, the Shansi Provincial Light Industry Department has drafted a concrete program for the light industries to give strong support to autumn harvesting and the purchasing of agricultural subsidiary and native special products. The program requires that the workers on the light industrial front must take action at once, to send whatever labor strength that can be sent to support the autumn harvesting activities. This request attracted an enthusiastic response from the great mass of cadres and workers. At present, besides the workers sent by the light industry department, bureaus and enterprises, personally led by responsible cadres onto the first line of agricultural production, the various areas and enterprises, under the unified guidance of the various levels of Party committees, are actively organizing workers to be sent to economic crop growing districts.

## HUNAN PROMOTES SALT STORAGE TO SUPPORT PRODUCTION AND ENSURE SUPPLY FOR THE PEOPLE'S CONSUMPTION

[Following is the translation of a news report in Ta Kung Pao, Peiping, 22 September 1960, page 3.]

In accordance with the trend of communalization and the wide-spread establishment of dining halls in the urban and rural areas, and after an investigation of the supply and demand conditions in table salt and agricultural salt, the Salt Distribution Bureau of the Hunan Provincial Commerce Department has adopted the method of storing table salt at the rural dining halls and the agricultural salt at the production teams. Since the completion of trial point experiments at the end of 1959, now, 50 out of the 80 or more hsien in Hunan Province have stored 450,000 tan of table salt at the communal dining halls and 310,000 tan of agricultural salt with production teams. After the application of this method, the amount of salt in public storage has greatly increased, ensuring a full supply for the market, and effectively supporting agricultural production.

At the end of 1959, the Hunan Provincial Commerce Department started a trial point experiment at the dining hall of the Pai-jo-po People's Commune in Ch'ang-sha Hsien by storing 400 tan of table salt there, and after experiences were gained, the method was expanded throughout the whole province. Since the beginning of 1960, Hunan Province has started a mass movement, requiring all the people's communes in the entire province to store one million tan of salt. The method was: to help the supply and distribution department of each commune to sign a contract with the dining hall, stipulating one consignment for storage with supplementary shipments month by month and delivery on time.

The T'ao-hua-chiang Supply and Distribution Department summarized the merits of salt storage made by the dining halls as: because dining halls have a salt storage, supply is guaranteed, and there will be no danger of lack of supply due to transportation difficulties; it will help to balance and economize the State's transportation facilities; it will help the basic level commercial units to overcome their

difficulty of providing storage space; changing the whole into small portions simplifies the supply operation and reduces salt losses.

According to the experiences attained in Hunan Province, in order to make salt storage in dining halls a good operation, the primary factor is to let the cadres and the masses have a clear understanding of the method and to help them solve their financial difficulty and labor problem. When the T'ao-hua-chiang People's Commune accepted the hsien commerce bureau's arrangement to store 2,000 tan of salt, some cadres in the production teams commented that dining halls to store salt is a good thing, but there is a difficulty in funds and no labor for salt transportation can be provided. The Party Committee in the commune adopted measures to overcome these difficulties: the dining halls have saving accounts at the credit department, so draw a portion of this saving; when the saving can not meet the needs, arouse the masses to start subsidiary production, promote "small autumn harvest" to secure cash income.

For instance, when the Hung-ch'iao-t'ou Production Team accepted an allotment from the higher level to store 180 tan of salt, the Party Branch calculated the amount of money required. The 33 dining halls in the whole team must store 180 tan salt and the cost was 2,970 yuan. After deducting the amount paid out from the team's saving and the cash obtained from selling the subsidiary products, there was still a shortage of 1,235 yuan. So, the Party Branch aroused the masses to make use of the early morning and evening hours for the promotion of a "small autumn harvest". The 2,000 commune members worked two mornings and one evening and gained 1,485 yuan. Then, they sent 240 members to bring back the 180 tan of salt from the hsien to be stored at the dining halls. At the same time, they utilized the members' going to the hsien for the salt, by sending 200 tan of subsidiary products along with them.

## LIAONING FINANCIAL DEPARTMENTS SUPPORT PRODUCTION IN DISASTER AREAS FOR SELF RELIEF AND REHABILITATION

[Following is the translation of a news report in Ta Kung Pao, Peiping, 22 September 1960, page 2.]

Under the guidance of the various levels of Party Committees, the workers of the Liaoning provincial financial and trade departments, together with the great mass of commune members, after overcoming the greatest flood disaster in a hundred years, have plunged into the struggle for production recovery and the reconstruction of homes and farms. They have actively collaborated with the different departments, organized strength, mobilized materials, sent cadres deep into the people's communes and the production teams to help production in the disaster areas for self relief and the arrangement of living conditions for the commune members.

After a disaster occurred in the Pen-ch'i, An-shan, Fu-shun and An-tung areas, the un-stricken cities and hsien financial departments actively donated manpower and material support to the unfortunate areas. Up to 8 September, the statistics showed that the total value of materials donated to the disaster areas amounted to more than 7,000,000 yuan, including the urgently needed "autumn cultivation" agricultural tools for production, vegetable seeds, chemical fertilizers, agricultural pesticides, and daily necessities such as, pots, bowls, ladles, basins, and dried and fresh vegetables.

In organization and mobilization, the Party leaders assumed personal responsibility and sent materials directly to the disaster areas. Chin-chou City contributed dried cake flour to the disaster areas. The production departments started day and night work to dry the flour by processing, packaging and despatching all at the same time, so by the next day, they over-fulfilled the goal of 20,000 chin of flour. This city also despatched 400,000 chin of fresh vegetables and 100,000 chin of salted vegetables to the stricken districts in time. The industrial tools company in this city contributed materials for the disaster areas, but owing to the lack of transportation facilities, the materials

were not despatched in time, so the company's workers packed, carted and loaded them onto trucks throughout the whole night and the materials were sent off the next day.

The financial and trade departments of Chao-yang City did their utmost to overcome transportation difficulties and sent out more than 500 tons of vegetables in three days. Fou-hsin and Lu-ta cities, having fulfilled their goal in despatching materials, also sent a great quantity of supplementary food and subsidiary products to the disaster areas.

The great mass of financial and trade workers in the disaster areas acted as "officers of supply in the rear" and did their utmost to despatch the materials to the areas where they were most urgently needed. The Shen-wo Production Team of the An-ping People's Commune in Liao-yang City lost its agricultural tools in the disaster, so the commune's supply and distribution department immediately promoted the other nine un-stricken production teams to contribute support. As a result, more than 200 pieces of agricultural tools were gathered and sent to this unfortunate team, which started production recovery immediately.

Under interrupted communication and difficult transportation conditions, the financial and trade workers in Pen-ch'i Hsien and Niu-hisn District organized over 2,000 sorties to deliver goods to the rural areas and to despatch productive materials and daily necessity goods to the communes and the production teams. Financial and trade workers of An-tung City, in the spirit of "all materials for the battle front", supplied on priority materials with a total value over 3,000,000 yuan to the disaster areas.

The various levels of the financial and trade departments helped the people in the disaster areas to start production so that they would be self-relied, to make rapid recovery in production, and assisted them in reducing serious disaster into light disaster and in rendering those places affected by light disaster not to have any reduction in production. The commerce bureau of Feng-ch'eng Hsien sent over 300 cadres to the production teams; while organizing production and supplies, these cadres despatched over 2,000 chin of vegetable seeds and a great consignment of agricultural tools, chemical fertilizers and agricultural pesticides. The Liu-chia-ho People's Commune in this hsien was more seriously affected by the disaster, but all its members, closely followed the Party's guidance, and with the support from the financial and trade department, energetically worked for the recovery of their production to attain self-relief. Each day, there were more than 5,000 people sent out for work throughout the commune.

The financial and trade department of Pen-ch'i City sent a great number of staff members deep into the communes and production teams to offer consolation and at the same time to understand their material needs so that material aid would be sent to the rural areas in time. The An-tung Hsien supply and distribution departments supplied the stricken areas with over 5,000 chin of seeds, so that the disaster areas could make immediate planting possible.

To start multifarious undertakings in the disaster areas was one of the most important means to regain production. The various levels of the financial and trade departments assisted the affected areas in planning, in arranging labor force, in opening new roads for production and in increasing incomes for the communes and their members. Fou-shun City's financial and trade departments organized a working unit which went to the Yu-shu Production Team of the Yung-ling People's Commune in Hsin-pin Hsien to help it in keeping records and arranging labor force so that subsidiary production in each team could be rapidly started. The An-tung Hsien financial and trade departments organized 1,500 cadres and sent them to the disaster districts in Hsiao-tien-tzu, Lung-wang-miao and Pei-ching-tzu to help in planting 4,800 mou of vegetables and to start the commune members in making grass sacks, gathering herbs and cutting grass. In two days' time, the Tung-t'u-ch'eng Production Team of the Hsiao-tien-tzu People's Commune cut and gathered 20,000 chin of grass.

P'an-shan Hsien financial and trade bureaus, under the joint leadership of its directors and the director of the supply and distribution department, organized a working unit of 120 men to support production for self-relief in the disaster areas and to promote the commune members in supplementary production activities, such as weaving and knitting, fishing and hunting.

To make proper arrangement in living conditions for the commune members is one of the important duties of the financial and trade departments. These departments of the An-tung and Pen-ch'i cities mobilized social strength to help the people in the disaster areas to solve their housing, blanket and warm clothes problems so they were well prepared for the winter. The coal and construction companies in An-tung City, in order to repair the houses in the disaster areas, made immediate preparations for the production of bricks, tiles, lime and oil papers. At the same time, they despatched 500 tons of coal and 100,000 chin of wood. An-tung City supplied the disaster areas with 42,000 pairs of rubber shoes. In addition to other daily necessity goods,

the total value reached over 2,000,000 yuan. The supply and distribution department of the Lung-wang-miao People's Commune in An-tung Hsien vacated more than 40 rooms in its business building and storage houses to house the refugees.

Owing to the Party's guidance and the greatest support given by the financial and trade departments, production in most of the disaster areas has recovered now and the people in these unfortunate areas are well rehabilitated.

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